This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 WELLINGTON 000635

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STATE FOR EAP A/S HILL, EAP/P AND EAP/ANP STATE PLEASE PASS USTR FOR WEISEL AND COEN NSC FOR MGREEN AND VCHA SECDEF FOR OSD/ISA LIZ PHU PACOM FOR J0051 HUSO, MUNIPALLI AND POST

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TAGS: PREL PGOV NZ

SUBJECT: AMBASSADOR SWINDELLS' FINAL CALL ON FM GOFF

Classified By: Ambassador Charles J. Swindells, for reasons  $1.4\ (b)$  and (d)

- 11. (C) Summary: During his final meeting with Foreign Minister Goff on August 18, Ambassador Swindells reiterated his call for both countries to engage in a comprehensive dialogue on the bilateral relationship. He and Goff agreed that Embassy Wellington should begin quiet work with NZ counterparts as soon as appropriate to explore a possible framework for talks. Goff warned that the United States should not have "unrealistic expectations" of a broad dialogue, but unlike in the past he stopped short of telling the Ambassador that the nuclear ban could not be discussed. End Summary.
- 12. (C) The Ambassador's exchange with Minister Goff was cordial, with the Minister especially emphasizing the tremendous contributions the Ambassador had made to the Fulbright Program. The two also discussed a variety of regional concerns, particularly China. Minister Goff said that Free Trade Agreement (FTA) talks with China were moving ahead, with four rounds completed so far. But Goff characterized the PRC as looking for a quick result and GNZ more interested in quality. The fact that NZ was "first up" in FTA talks put more pressure on both sides, he added. The Ambassador said that on the economic side he was optimistic about China, as laws are more transparent and foreign companies are making profits there at last. Goff agreed, but noted that maintaining a dialogue with China was difficult, given human rights concerns. He said it was ironic that the PRC was so critical of Japanese textbook accounts of WWII, given China's own penchant for censorship.
- 13. (C) Moving the conversation to the bilateral relationship, FM Goff said he wanted to be sure Ambassador had seen the Prime Minister's VJ Day speech. She had talked about how strongly she felt about U.S. friendship and cooperation in the War, Goff said, and it was she herself who included this reference. (FYI: The PM's speech noted, "New Zealand warmly respects, still, the strengths of the United States, that mighty country beside which we fought and with which, sixty years ago, we celebrated victory.") Goff said he thought his own recent speech to the "Gateway to America" had also gone well, as it had highlighted many positive statistics about the US-NZ bilateral relationship.
- 14. (C) Regarding the Pacific Security Initiative (PSI), Goff told the Ambassador that he thought NZ Academic Peter Cozens remarks to the press were "overgilding" the significance of the U.S. decision to allow joint military exercises. That being said, it was Secretary Powell who had asked Goff that New Zealand participate in the initiative, and the Prime Minister had agreed. New Zealand had never thought this would create a problem for the United States, but GNZ is not trying to sell the joint exercises as a breakthrough. (Comment: While initially this was the case (and the Government was doubtless not eager to be seen as very close to the United States military in the run-up to elections) Goff has since told the press he hoped the U.S. would issue more waivers in the future since the two countries are fighting together in Afghanistan against terrorism. End Comment.)
- 15. (C) Goff also reminded the Ambassador of New Zealand's continued interest in a Free Trade Agreement with the United States before Trade Promotion Authority runs out. He said hoped the two sides could discuss this later in the year. The Ambassador said that in his July 4 speech he had called for a broad dialogue about the relationship. It should be about setting up a framework to discuss a myriad of topics, he said. If both sides find things that can't be changed, he said, we can move on from there. The Ambassador said he did not like how things were not moving forward. Given FM Goff's and PM Clark's skills it's remarkable these talks are not taking place.
- 16. (C) Goff agreed that he was keen for an open and transparent dialogue, but worried that it would create expectations on the U.S. side that New Zealand could not deliver on. That's what had happened with the Buchanan and

the Somers report, he said. In frankness, New Zealanders' view the "non-nuclear" policy as representative of the country's being "clean and green" and as the country's own decision. The harder they are pushed on the issue, the more resistant they would be. The Ambassador countered that the Government should not worry about this. If as a result of a dialogue New Zealand understands the policy's ramifications for the United States, GNZ might be able to find a way to address these concerns. The Ambassador said that he and other US officials understand New Zealand's independence. But government-to-government talks freshen relationships so that they move forward. If nothing changes, we can still continue to cooperate as we have. Goff said he would be happy to discuss the matter with Secretary Rice. The Ambassador said a lower-level discussion was needed to set up the parameters of a possible dialogue and then raise it up to more senior levels when and as appropriate. He suggested that NZ officials discuss this with DCM Burnett and others at Embassy Wellington. Goff agreed, and said that he would be happy to meet with the DCM.

- 17. (C) The Ambassador and FM Goff met with a group of journalists immediately following the meeting. The Ambassador deflected the journalists' repeated questions about his views on Labour's use of anti-American messages in the campaign, noting that in an election emotions run high. The journalists aggressively asked FM Goff whether Labour's tactics would tarnish US-NZ relations. The attacks are aimed at National Party leader Brash, Goff said, and not President Bush. The Ambassador said that he hoped for a broad dialogue with New Zealand, regardless of which Party is elected. Goff said that GNZ was keen on having a transparent dialogue on all issues that would not "move towards adopting a policy that New Zealanders are not in favor of." He also said that he believed New Zealanders "are generally in favor of a very close and productive relationship with the United States. Of course we want to build on that."
- 18. (C) Comment: While we would not expect the Government to scrap NZ's nuclear ban any time soon, Goff clearly eschewed any direct reference to NZ's nuclear legislation (as opposed to policy) in his comments to the press. Coupled with Goff's more open approach to the Ambassador's suggestion during their meeting, it seems that Labour is trying to carve out wiggle room to discuss with us after elections the impact of the nuclear policy on U.S. interests in the region. The Ambassador's public call for talks with the Government regardless of who wins September's elections will also enable us to deflect accusations of having a cabal with National should the opposition win. End Comment.

Swindells